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UNCLAS LIMA 005445

SIPDIS

DEPT FOR PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A

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SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END USE CHECK ON  
LICENSE #05-982280

REF: STATE 221386

1. Poloff met with Caddin S.A.C. (Caddin) Administrative Manager (AM) Magdalena Paredes Guerra and Commercial Manager Miguel Nopo Fernandez on 12/12 and visited the place of business. Poloff also spoke with Director General (DG) Alfonso Paredes Guerra by phone on 12/13. AM Paredes and GM Paredes said Caddin has been in business for 18 years. Caddin is registered under tax identification (RUC) number 20109709116. The tax database indicates they have been in business since 4/26/1986, identifies GM Paredes as the legal representative, and lists the same address for the business as that in the license application information in reftel.

2. AM Paredes told poloff that all Caddin's customers are Peruvian and include: the National Penitentiary Institute (INPE); the Customs Agency; the branches of the Armed Forces; private security companies including Orus, Prosegur, and Hermes; and gun stores/distributors including el Halcon, la Mela, and Adita Ching. AM Paredes said Caddin keeps detailed records of sales and customers. AM Paredes provided a printout list of clients and their recent purchases indicating a legitimate customer base. Caddin is regulated by the Directorate for the Control of Arms, Munitions, and Explosives for Civil Use (DISCAMEC). AM and GM Paredes said all imports and sales are conducted in accordance with DISCAMEC regulations. AM Paredes added these regulations require Caddin to sell ammunition only to buyers with a license and with an allocation for the munitions (e.g., a security guard can buy a net maximum of only 600 units of ammunition/month.) She explained CADDIN is required by DISCAMEC to record all transactions including purchasers, license numbers and, in the case of shipments, the license of the mandatory police escort for the shipment.

3. GM Paredes said the .223 caliber ammunition is generally purchased by hunters of big animals like deer and puma and by some of the security companies that protect valuables like Prosegur and Hermes. He added that Caddin does not sell much of this caliber, but does receive requests. GM Paredes, expressing his desire to receive the shipment in reftel said if the .223 caliber part of the order was problematic, he would be willing to remove it from the larger order.

4. Caddin has an on-site security system and is regularly audited by DISCAMEC. Visual security inspection by Poloff included a metal gate at entrance to building, a double metal gate/cage entrance to the office within the building, metal bars on windows, and alarms and motion detectors linked to security service for when the office is closed. AM Paredes said they follow all DISCAMEC requirements for security. No/no security guard was present on-site, however this is optional according to DISCAMEC documentation. AM Paredes gave Poloff a copy of the most recent (10/19) DISCAMEC one-page inspection sheet showing satisfactory results.

5. Caddin gave Poloff a copy of a Permit from the Ministry of Interior authorizing import of the munitions listed in the license application information in reftel. The permit also references a separate permit authorizing Caddin for the commercialization of arms, munitions, and related articles for civil use. NAS has a business relationship with Caddin and their performance has been satisfactory. FCS also has a working relationship with Caddin. The permit, the site visit, the regulation of the company by DISCAMEC, and the 18-year history of the company support the conclusion that Caddin is a reliable recipient of USML items. Post can fax Caddin documentation (including list of clients and recent purchases, the DISCAMEC inspection sheet, and the importation permit) to PM/DTCC upon request.

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